S66 15-2

OREGON LABOR TRENDS

Prepared by Research and Statistics Section

STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

APRIL 1985

MARCH INDICATORS

UNEMPLOYMENT RATE

Oregon	(Seas. Adj.)
Mar. 1985	9.5
Feb. 1985	9.3
Mar. 1984	9.3
U.S.	
Mar. 1985	7.3
Feb. 1985	7.3
Mar. 1984	7.8

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
Mar. 1985	109.4
Feb. 1985	109.6
Jan. 1985	109.3
Dec. 1984	108.5
Nov. 1984	108.1

DIFFUSION INDEX

Oregon	
Mar. 1985	53.9
Feb. 1985	57.0
Jan. 1985	57.0
Dec. 1984	55.4
Nov. 1984	49.2

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Feb. 1985	38.4
Jan. 1985	39.0
Feb. 1984	38.9

CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

Portland MSA	
Mar. 1985	309.0
Yearly Change	+ 3.7%
U.S.	
Mar. 1985	318.8
Yearly Change	+ 3.7
Portland Hotline	221-4132

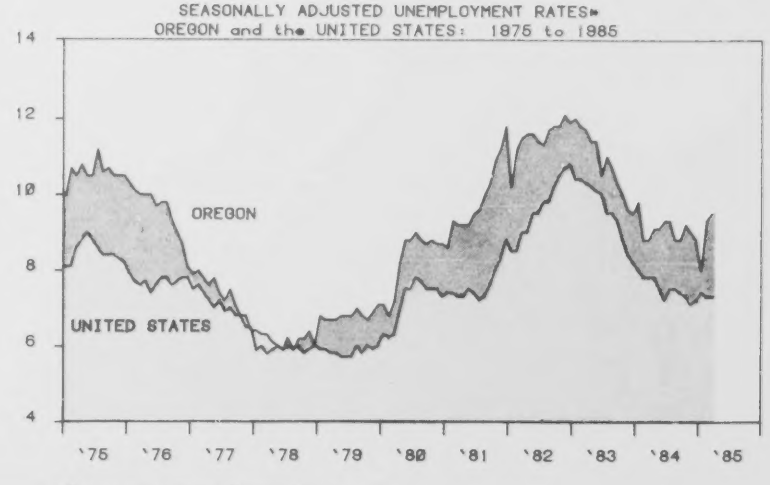
MONTHLY ECONOMIC ANALYSIS

Jason Yohannan

Oregonians were given a double dose of distasteful economic news in the latest employment statistics. These numbers showed, first, that February's seasonally adjusted unemployment rate, initially reported as 8.9%, was revised to 9.3%, and second, the rate for March was an even higher 9.5%. Despite the rise in March's seasonally adjusted rate, the raw rate of unemployment declined from 11.4% to 11.1%, as 5,500 more residents were working and 4,500 fewer residents were looking for work when compared to February.

How does 9.5% stack up against other unemployment rates? Last month in Oregon Labor Trends, we saw how Oregon's 1984 annual average unemployment rate of 9.4% ranked among the "top ten" states with high unemployment rates. The United States rate then was 7.5%. The national seasonally adjusted civilian unemployment rate for March has been pegged at 7.3%, so it's a good bet that we are maintaining our high national ranking. It is unfortunate, but not new, that this state's rate is above the national average because that has been the case ever since Oregon's glory days of the late seventies ended. High interest rates during the eighties have been a major reason, though not the only one, for this disparity in unemployment rates between Oregon and the nation.

Another point, though, when discussing unemployment rates, is not just where they stand, but where they are going. Asking 10 different economists can yield 10 different answers. No one can predict the future, but we can peek at some signs for a clue.



RESIDENT OREGON LABOR FORCE

	MAR. 1985 1/	FEB. 1985 2/	CHANGE	% CHANGE	MAR. 1984 5/
CIVILIAN LABOR FORCE 3/	1,322,000	1,321,000	1,000	0.1	1,322,200
UNEMPLOYMENT	146,700	151,200	- 4,500	- 3.0	132,900
PERCENT OF LABOR FORCE	11.1	11.4	XXX	XXX	10.1
SEASONALLY ADJUSTED PERCENT	9.5	9.3	XXX	XXX	9.3
TOTAL EMPLOYMENT 4/	1,175,300	1,169,800	5,500	0.5	1,189,300

1/ PRELIMINARY. 2/ REVISED. 3/ INCLUDES EMPLOYED AND UNEMPLOYED INDIVIDUALS 16 YEARS AND OLDER. DATA ARE ADJUSTED FOR MULTIPLE JOB-HOLDING AND COMMUTING. 4/ INCLUDES NONAGRICULTURAL WAGE AND SALARY, SELF-EMPLOYED, UNPAID FAMILY WORKERS, DOMESTICS, FARM WORKERS, AND LABOR DISPUTANTS. 5/ DUE TO REVISED ESTIMATING PROCEDURES BETWEEN DECEMBER 1984 AND JANUARY 1985, DATA FOR 1985 AND THAT OF PREVIOUS YEARS ARE NOT STRICTLY COMPARABLE.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	MAR. 1985 1/	FEB. 1985 2/	MAR. 1984	CHANGE FROM FEB. 1985	CHANGE FROM MAR. 1984
TOTAL 3/	1,011,100	1,002,900	985,800	8,200	25,300
WAGE & SALARY EMPLOYMENT INDEX 4/	109.4	109.6	106.7	XXX	XXX
DIFFUSION INDEX 5/	53.9	57.0	66.3	XXX	XXX
TOTAL MANUFACTURING	192,600	193,100	192,500	- 500	100
DURABLE GOODS	142,200	142,700	141,600	- 500	600
LUMBER & WOOD PRODUCTS	62,100	62,500	64,300	- 400	- 2,200
LOGGING & SAWMILLS	31,800	32,200	33,700	- 400	- 1,900
VENEER & PLYWOOD	16,500	16,700	17,500	- 200	- 1,000
MILLWORK & STRUCTURAL WOOD	8,300	8,300	7,900	0	400
MOBILE HOMES	1,500	1,400	1,600	100	- 100
OTHER WOOD PRODUCTS	4,000	3,900	3,600	100	400
FURNITURE AND FIXTURES	2,900	2,800	2,600	100	300
STONE, CLAY, GLASS & CONCRETE	2,400	2,300	2,400	100	0
PRIMARY METALS	9,100	8,900	8,900	200	200
BLAST FURNACES, IRON & STEEL	5,700	5,600	4,800	100	900
NONFERROUS METALS	3,400	3,300	4,100	100	- 700
FABRICATED METALS	9,900	10,000	10,100	- 100	- 200
FABRICATED STRUCTURAL METALS	4,800	4,900	4,500	- 100	300
OTHER FABRICATED METALS	5,100	5,100	5,600	0	- 500
MACHINERY	15,600	15,500	15,300	100	300
ELECTRICAL EQUIPMENT & SUPPLIES	14,400	14,700	12,800	- 300	1,600
TRANSPORTATION EQUIPMENT	8,300	8,600	8,300	- 300	0
INSTRUMENTS & RELATED PRODUCTS	14,700	14,600	14,400	100	300
MISCELLANEOUS MANUFACTURING	2,800	2,800	2,500	0	300
NONDURABLE GOODS	50,400	50,400	50,900	0	- 500
FOOD & KINDRED PRODUCTS	20,700	20,600	20,700	100	0
CANNING & PRESERVING	10,700	10,800	11,000	- 100	- 300
OTHER FOOD PRODUCTS	10,000	9,800	9,700	200	300
TEXTILE MILL PRODUCTS	1,600	1,600	1,700	0	- 100
APPAREL	2,500	2,600	2,800	- 100	- 300
PAPER & ALLIED PRODUCTS	8,800	8,800	9,000	0	- 200
PRINTING & PUBLISHING	11,100	11,000	10,900	100	200
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,100	0	0
PETROLEUM REFINING	400	400	500	0	- 100
RUBBER & PLASTIC PRODUCTS	2,700	2,800	2,700	- 100	0
LEATHER PRODUCTS	500	500	500	0	0

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	MAR. 1985	FEB. 1985	MAR. 1984	CHANGE FROM FEB. 1985	CHANGE FROM MAR. 1984
(CONT.)					
TOTAL NONMANUFACTURING	818,500	809,800	793,300	8,700	25,200
MINING & QUARRYING	1,400	1,200	1,400	200	0
CONSTRUCTION	28,500	27,400	26,200	1,100	2,300
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	54,300	54,500	56,500	- 200	- 2,200
TRANSPORTATION	32,300	32,300	33,100	0	- 800
RAILROAD	5,200	5,100	5,500	100	- 300
TRUCKING & WAREHOUSING	17,200	17,300	17,200	- 100	0
OTHER TRANSPORTATION	9,900	9,900	10,400	0	- 500
COMMUNICATIONS	13,400	13,600	15,000	- 200	- 1,600
UTILITIES	8,600	8,600	8,400	0	200
TRADE	254,000	249,800	243,800	4,200	10,200
WHOLESALE TRADE	65,900	65,200	62,400	700	3,500
DURABLE GOODS	38,800	38,400	37,100	400	1,700
NONDURABLE GOODS	27,100	26,800	25,300	300	1,800
RETAIL TRADE	188,100	184,600	181,400	3,500	6,700
GENERAL MERCHANDISE	22,900	22,600	24,000	300	- 1,100
FOOD STORES	30,000	29,100	26,800	900	3,200
AUTO DEALERS & SERVICE STATIONS	24,700	24,100	23,000	600	1,700
OTHER RETAIL TRADE	110,500	108,800	107,600	1,700	2,900
FINANCE, INSURANCE, & REAL ESTATE	67,600	67,100	64,500	500	3,100
BANKING & CREDIT AGENCIES	23,100	23,100	23,500	0	- 400
OTHER FINANCE, INSURANCE, & REAL ESTATE	44,500	44,000	41,000	500	3,500
SERVICES	209,100	207,200	201,900	1,900	7,200
HOTELS & PERSONAL SERVICES	23,600	23,000	23,100	600	500
HEALTH SERVICES	68,900	68,500	66,700	400	2,200
OTHER SERVICES	116,600	115,700	112,100	900	4,500
GOVERNMENT	203,600	202,600	199,000	1,000	4,600
FEDERAL GOVERNMENT	29,600	29,500	27,700	100	1,900
STATE GOVERNMENT	56,300	55,800	56,300	500	0
EDUCATION	23,700	23,600	23,400	100	300
OTHER STATE	32,600	32,200	32,900	400	- 300
LOCAL GOVERNMENT	117,700	117,300	115,000	400	2,700
EDUCATION	76,200	76,100	73,900	100	2,300
OTHER LOCAL	41,500	41,200	41,100	300	400
LABOR-MANAGEMENT DISPUTES	600	600	900	0	- 300

1/ PRELIMINARY

2/ REVISED

3/ INCLUDES FULL AND PART-TIME NONFARM WAGE AND SALARY WORKERS IN PAY PERIODS INCLUDING THE 12TH OF THE MONTH. PROPRIETORS, SELF-EMPLOYED, PRIVATE HOUSEHOLD WORKERS AND ARMED FORCES EXCLUDED. NOTE: ESTIMATED IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS AND EMPLOYMENT AND TRAINING ADMINISTRATION. ALL DATA ARE BASED ON THE 1972 STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES AS AMENDED BY THE 1977 SUPPLEMENT.

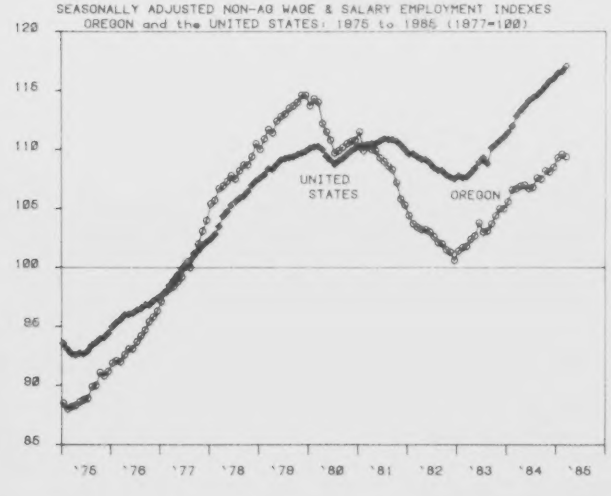
4/ TOTAL NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT, SEASONALLY ADJUSTED, AND INDEXED TO 1977. DATA ON THE EARLIER INDEX (1972 = 100) CAN BE CONVERTED TO THE 1977 BASE PERIOD BY MULTIPLYING BY A FACTOR OF .8264, THE RATIO BETWEEN 1972'S ANNUAL AVERAGE EMPLOYMENT (774,300) AND THAT OF 1977 (936,900).

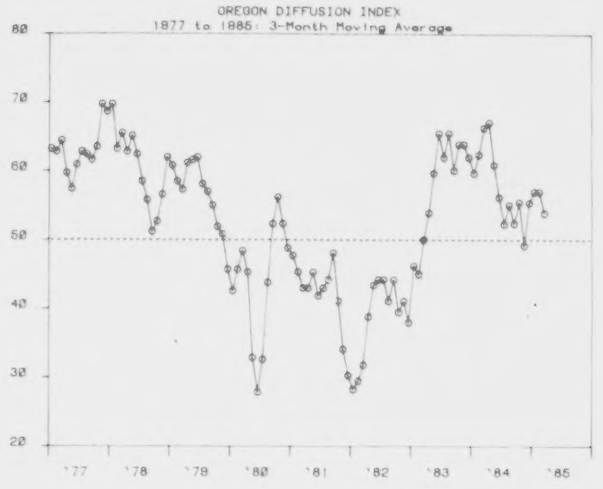
5/ THE DIFFUSION INDEX IS THE PERCENTAGE OF A SELECTED GROUP OF 43 INDUSTRIES SHOWING AN INCREASE IN SEASONALLY ADJUSTED EMPLOYMENT. HALF OF THOSE INDUSTRIES SHOWING NO SIGNIFICANT CHANGE (LESS THAN 1/2 OF 1%) ARE COUNTED AS INCREASING.

One sign often looked at is the diffusion index. This indicator gauges the percentage of selected Oregon industries which are experiencing seasonally adjusted employment gains. March came in with a score of 53.9. Any reading over 50 means that more than half of the measured industries are expanding. Incomplete conclusions would be drawn by simply looking at one month of this index, however. Unlike the wage and salary employment index, which compares the month in question to a base year (1977), the diffusion index keys on over-the-month change with consideration given to rate of change. Thus, there is sometimes a "yo-yo" effect. In other words, if a given month comes in with unusually low employment (perhaps because of severe weather, temporary layoffs, or even statistical quirks), the diffusion index will be hurt. Then, even if the next month is only an average month, it will look good by comparison, and the diffusion index will jump.

The opposite effect can also occur. A month may be very strong, employment-wise, and the index will likewise be strong. Even if the following month is still a reasonably good one, the over-the-month growth, when compared to a very strong month, will be slight, and the diffusion index will reflect it. The last seven months of 1984 experienced much of this "yo-yo" effect, although the effect is tempered by a three-month moving average. March's reading of 53.9 is above average in itself, but coming on the heels of three months of encouraging diffusion indices, it continues to suggest improvement in coming months, even though March 1985 unemployment is already higher than March 1984. As always, time will tell.

A second sign to focus on involves the specifics of employment changes by industry. Although the Oregon economy created 8,200 payroll jobs between February and March, a normal seasonal increase would have been 9,400, and that is why the wage and salary employment index fell by .2. One specific industry of note is lumber and wood products. In late 1984 and early 1985, when some companies in the wood products sector were announcing employee layoffs or even mill closures, the Employment Division continued to release monthly statistics showing seasonally





adjusted employment in lumber and wood products as steady or even increasing. Were the companies just fooling? Were we wrong? March told us that the answer to both questions is no. It just took a couple of months for the full effect of the earlier negative headlines to become negative statistics. The industry lost 600 jobs, seasonally adjusted, in March, and more declines are still on the way. These losses will have a long term impact.

Two other economic sectors which contributed to the bad news for March were services and the group of manufacturers known as "high tech" (i.e. electronic computing machinery, electrical equipment, and instruments and related products). Many Oregonians are hoping that high tech growth can offset declines in other manufacturing industries and then go even further than that. Quite the opposite happened in March, when this cluster of industries dropped several hundred jobs themselves. Most observers feel that this group of technology industries, unlike lumber and wood products, is undergoing a slow market period rather than a major retrenchment, and jobs lost now will be recovered later. The impact here should be short term.

Employment in services has been quietly, but steadily, growing for months. Not so in March. Even with a 1,900 gain, it is 1,000 too low when normal seasonal factors are considered. What season is March? Tax season. Accounting and bookkeeping services, which generally add staff in March, did not do so this year according to preliminary figures. Reasons for this might include increased automation of tax preparation, or more self-preparation of tax forms. Some reports say that taxpayers are simply delaying the filing of tax returns. If the latter is true, we can expect better numbers when April figures are released. Another part of services which contributed to the decline was private education. Employment statistics for private education can be quite erratic because of the large number of college and university students employed part-time. The timing of "spring break" seems to have made March a lower-than-usual month for private education employment. As with accounting and bookkeeping services, April should see a rebound. Again, this impact should be short term.

The above impacts, whether short or long term, were nevertheless negative. Not all of March was bad. Parts of the trade sector continue to give signs of hope. Trade's gain of 4,200 jobs was 1,700 more than anticipated. Auto, boat, recreational vehicle, and motorcycle dealers along with service stations, continued to show strength in March. Each industry employs hundreds more than last year, and combined they have 4,000 more on their payrolls than two years ago. These gains point out that people still have disposable income to spend on "big ticket" items. Sales really took off in 1983, especially because pent up demand was released when the economy began improving. Most of that pent up demand has been accommodated since 1983, but sales continue to do well. Record profits in Detroit mean that American cars are selling, so dealers, including those in Oregon, are benefiting. Imports haven't been hurting, either, and more Oregonians have been earning a living working for import dealers. If the consumer economy was feeling a severe pocketbook pinch, one of the first places it would likely pinch off would be luxury items such as new cars, boats, and RV's; and we are not seeing this occurring. These parts of trade are more sensitive to changes in the economy than food stores, for example, and what they continue to tell us is still good news.

The word "imports" cropped up in the last paragraph. Imports and trade balances are a hot topic these days, and numerous Oregon workers are highly likely to be affected by upcoming Congressional and/or Presidential action. Unfortunately, it could pit one sector of Oregon's economy against another. Lumber and wood products producers, for instance, have faced stiff competition from Canada recently, and would probably favor increased protectionism. Likewise, the textile and apparel industries have had to go up against manufacturers from the Far East, and would probably have similar sentiments. Electronics and communications also could be added to the list. Washington, D.C., in trying to reduce the federal deficit, is aiming at reducing balance-of-trade deficits as one step in that direction. Japan is a primary target since the sentiment is that Japanese markets are not as open to American products. If the action against Japan or any other country is too severe, the backlash could hurt Oregon's transportation, government, trade, and agriculture industries.

According to statistics released by First Interstate Bank of Oregon and reported in The Oregonian, 1984 was a record year for trade through Oregon ports (both airports and marine ports). More than half of this business was trade between Oregon and Japan, most notably imports of Japanese cars. Should a hostile trade war between Japan and the U.S. begin, workers in the terminals on the Columbia and Willamette Rivers and the bays on the coast would see significantly reduced activity. Reduced private sector activity would decrease employment in transportation (e.g., cargo handlers), and reduced public sector activity would hurt government employment (e.g., port districts). Also, the flood of imports has lowered prices for consumers, and happy consumers make for happy retailers. Parts of the trade industry may be adversely affected by a trade war. Wheat was the state's major export commodity, and a hostile trade war could close some markets to farm products, affecting Oregon's agriculture industry. So, the answers to the trade imbalance are not easy ones to come by, and Oregon should watch upcoming federal action closely.

To sum up, March showed that the battle against unemployment is far from over and that the recovery has unquestionably slowed. Parts of the slowing will have lasting effects, but much of it is only short term. It is doubtful that the recovery is over, given some signs of improvement still cropping up. Much depends on outside factors, such as political forces in our nation's capital.□

LOCAL AREA UNEMPLOYMENT STATISTICS

Fred Klatz

Each year two major programs in the Labor Market Information system undergo a series of data revisions called benchmarking. In last month's issue of Labor Trends we discussed the revisions undertaken in the Current Employment Statistics (CES) program. In this article we will look at the benchmarking process in the Local Area Unemployment Statistics (LAUS) program, since it makes extensive use of the revised employment data.

The LAUS program has three primary sources of information which are used to produce the unemployment rates for the state and labor market areas within the state.

The first is the CES program, which provides estimates of wage and salary employment by industry as well as information on strike activity. Each year, as more current data becomes available from employer unemployment insurance (UI) tax reports, sample-based wage and salary employment estimates are revised to reflect the new data. As this revised wage and salary employment data becomes available, it is incorporated into the unemployment estimating program.

The second source of data is the Unemployment Insurance system. As people become unemployed, many of them file for unemployment insurance benefits. This activity is recorded and kept on computer files along with records of payment. These computer files form a primary source of data for determining the number of unemployed within the state. In addition, other states near Oregon that process UI claims of Oregon residents send these data to Oregon so that a more complete count may be obtained. Oregon reciprocates by providing their individual LAUS programs with comparable data. Since these are actual counts of UI claimants rather than data based on a sample survey, there is usually not much revision to these data at benchmarking time.

The third source of information for the LAUS program is the U.S. Bureau of Labor Statistics (BLS). This is the federal agency which provides funding on a contract basis for Oregon's unemploy-

ment and employment estimating programs. As part of this contract, BLS is obligated to supplement Oregon's UI claimant counts with other data. Examples of this are information collected through the national Current Population Survey. This survey, conducted by the U.S. Bureau of the Census, contacts approximately 800 households in Oregon each month and asks a series of questions. Some of these questions have to do with employment, unemployment and labor force status. This information is of primary interest to the LAUS program and is used to supplement the other sources of available labor force data.

BLS also provides data on unemployed railroad workers in Oregon. These people do not use the unemployment insurance system provided by the state, but have their own unemployment insurance system. The railroad data is like UI data; administrative in nature and not subject to very much revision at benchmarking time. However, the sample-based data from the Current Population Survey which reflect all unemployed workers regardless of whether they are UI claimants, are revised each year and incorporated into the benchmarking process.

All of these revisions are incorporated into the LAUS program at the state level. Each year, the statewide estimates are recomputed for the previous two years. Unemployment estimates for each local labor market area are also revised for the previous two years.

At present, the benchmarking process has been completed only for 1984 unemployment data. Although revisions to 1983 unemployment data are not yet finished, we can make an economic comparison between the two years using preliminary 1983 jobless rates. Normally, little change is made to state and local unemployment rates as a result of benchmarking. The accompanying table shows annual average unemployment rates for local areas in Oregon for 1984 and 1983. One thing that is readily apparent is the substantial improvement in Oregon's economy between 1983 and 1984. This improvement was reflected in most labor market areas with corresponding declines in their unemployment rates. The exceptions to this generally improving trend were Coos and Curry counties on the south coast, which continued to suffer from serious problems in food processing (closure of several fish canneries), fishing (reduced season), and lumber and wood products (mill closures, reduced hours). Jefferson County, in Central Oregon, had increased unemployment due to the closure of a major potato processing plant and reduced farm incomes which in turn caused some reductions in retail trade employment. The northeastern block of counties, Morrow, Umatilla, Union, and Wallowa, showed substantial increases in their annual average unemployment rates. These counties are oriented toward lumber and agriculture. In lumber and wood products there has been at least one mill fully closed, with other mills reducing shifts. This in turn has led to reduced orders for logs from contract cutters. In agriculture, wheat and cattle prices have been down, thereby depressing farm income.

These two industries are only the tip of the iceberg; many other industries also have suffered declines in this area. For example, in Umatilla County the closure of a large hospital cut 200 to 300 from the government payroll. Closure of the large branch office of a telephone company cost another 60 to 100 jobs. All of these losses and slow downs have a ripple effect through the rest of the economy which is difficult to quantify.

Local Area Unemployment Rates

	1984 Rank	1984	1983	Change
Oregon	--	9.4%	10.8%	-1.4
Baker	1	15.2	18.3	-3.1
Coos	2	14.9	14.5	+0.4
Grant	3	14.2	14.6	-0.4
Curry	4	13.4	13.2	+0.2
Wallowa	5	13.2	11.4	+1.8
Hood River	6	13.0	13.6	-0.6
Linn	6	13.0	13.7	-0.7
Jefferson	8	12.9	10.9	+2.0
Tillamook	9	12.6	13.3	-0.7
Harney	10	12.3	14.6	-2.3
Josephine	10	12.3	13.4	-1.1
Wasco-Sherman	10	12.3	12.6	-0.3
Douglas	13	12.1	12.9	-0.8
Umatilla	13	12.1	11.7	+0.4
Deschutes	15	12.0	13.3	-1.3
Union	15	12.0	10.3	+1.7
Lake	17	11.6	11.8	-0.2
Klamath	18	11.5	11.9	-0.4
Crook	19	11.3	11.8	-0.5
Wheeler	19	11.3	12.5	-1.2
Malheur	21	11.2	12.6	-1.4
Clatsop	22	11.0	12.4	-1.4
Lincoln	23	10.2	11.5	-1.3
Morrow	24	10.1	9.3	+0.8
Medford MSA (Jackson Co.)	25	10.0	12.0	-2.0
Eugene/Springfield MSA	26	9.5	11.4	-1.9
Salem MSA	27	8.9	10.3	-1.4
Columbia	27	8.9	10.1	-1.2
Portland PMSA	29	7.9	9.8	-1.9
Gilliam	30	6.2	6.2	0.0
Benton	31	5.7	6.1	-0.4

The overall pattern of having the larger, more metropolitan labor market areas (MSA's) near the bottom of the unemployment rate list, and smaller counties occupying the higher places in the table, is not uncommon. For example, the first five counties in the table, Baker, Coos, Grant, Curry, and Wallowa, typically have higher unemployment rates than the state. Coos and Wallowa have not had an annual average unemployment rate below the state average between 1970 and 1984. Grant County went below the state average in 1971, and Curry's annual average tied the state rate in 1972. The MSA's, which contain about 70 percent of the state's labor force, have the necessary diversification in their economies and large enough populations to better withstand economic downturns. Smaller economies tend to be dependent on one or two industries whose health determines the health of the county.

The benchmarking process is fairly complex and drawn out, but it is important because it improves the accuracy of unemployment rates, which are used as a primary indicator of an area's economic health.□

HOURS AND EARNINGS

Mike Staten

February's hours and earnings were pretty typical. Average weekly hours dropped by .6 between January and February for total manufacturing, 1.0 hour for construction, and .7 hour for trade. This year's average workweek was down slightly for manufacturing activities over last year, but construction, and communications and utilities were up nearly a full hour per week.

The average workweek in durable goods manufacturing dropped .9 hour. This was totally a result of the extremely good weather in January, which boosted that month's average workweek and made February's look worse than it really was. In fact, between 1975 and 1984, February's workweek averaged 38.8, matching this year.

Total nondurable goods manufacturing posted no change in February's average workweek, but there were counteracting changes within the sector. Canning and preserving dropped nearly a full hour per week from the January level and nearly two hours per week from last year. The driving force was a 30% decline in overtime hours resulting from increased numbers of employees. At the same time, most other areas of nondurable goods manufacturing experienced increased workweeks, a condition not unusual for this time of year.

An average drop of 1.0 hour per week came in the construction industry, with general and heavy construction activities hardest hit. This year's average workweek, however, was a marked improvement over February 1984's.

Wholesale and retail trade both posted shorter average workweeks in February than in January. The change between the two months was comparable with the same period last year, although the actual length of the retail trade workweek was .8 hour less this February than last.

All in all, hours and earnings data for February showed no surprises and, in fact, followed the January to February pattern exhibited during the past few years.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Feb. 2/ 1985	Jan. 3/ 1985	Feb. 1984	Feb. 2/ 1985	Jan. 3/ 1985	Feb. 1984	Feb. 2/ 1985	Jan. 3/ 1985	Feb. 1984
TOTAL MANUFACTURING 4/	$405.12	$413.79	$406.12	38.4	39.0	38.9	$10.55	$10.61	$10.44
Durable Goods	412.06	425.58	415.15	38.8	39.7	39.5	10.62	10.72	10.51
Lumber & Wood Products	432.57	446.08	421.68	38.9	39.9	38.9	11.12	11.18	10.84
Logging & Sawmills	460.53	483.98	451.21	38.7	40.5	39.1	11.90	11.95	11.54
Veneer & Plywood	451.77	453.17	431.24	40.7	40.9	39.6	11.10	11.08	10.89
Millwork & Struct Wood	325.60	326.20	318.57	37.0	36.9	37.7	8.80	8.84	8.45
Mobile Homes	249.96	247.51	253.56	31.6	30.9	32.3	7.91	8.01	7.85
Other Wood Products	426.52	426.78	430.95	40.2	39.7	39.5	10.61	10.75	10.91
Furniture & Fixtures	271.36	242.24	265.44	35.8	32.0	33.9	7.58	7.57	7.83
Primary Metals	494.70	476.76	489.14	42.5	41.1	41.7	11.64	11.60	11.73
Fabricated Metals	379.48	382.41	380.16	38.1	37.9	38.4	9.96	10.09	9.90
Machinery	422.18	423.07	411.46	40.4	39.8	40.3	10.45	10.63	10.21
Nondurable Goods	383.24	381.39	378.79	37.1	37.1	37.1	10.33	10.28	10.21
Food & Kindred Products	326.43	320.92	319.87	35.1	35.5	35.9	9.30	9.04	8.91
Canning & Preserving	263.41	259.41	265.14	32.4	33.3	34.3	8.13	7.79	7.73
Other Food Products	414.38	408.67	395.20	38.8	38.7	38.0	10.68	10.56	10.40
Textile Mill Products	231.95	229.59	225.51	37.9	37.7	37.9	6.12	6.09	5.95
Apparel	208.68	201.05	207.10	37.6	37.3	38.0	5.55	5.39	5.45
Paper & Allied Products	580.05	588.35	559.06	41.7	41.0	40.6	13.91	14.35	13.77
Printing & Publishing	403.11	409.37	402.40	35.8	36.1	34.9	11.26	11.34	11.53
Construction 4/	486.97	503.96	477.10	33.4	34.4	32.5	14.58	14.65	14.68
Communications & Utilities 5/	499.20	494.27	480.59	40.0	39.7	39.2	12.48	12.45	12.26
Trade 5/	282.20	288.24	280.05	32.7	33.4	33.3	8.63	8.63	8.41
Wholesale Trade	382.50	386.15	372.74	37.1	37.6	37.2	10.31	10.27	10.02
Retail Trade	234.09	240.38	235.19	30.6	31.3	31.4	7.65	7.68	7.49
Banking & Insurance	277.05	276.66	267.09						
State & Local Government	326.09	324.77	317.80						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

EMPLOYERS CORNER – CONGRESSIONAL ACTION NECESSARY

Dorothy Monnier

The Employers Federal Unemployment Tax Act (FUTA) pays for the operation of the Employment Division. The current administration has requested that Congress withhold $37 million of the approved $777 million dollars for the Employment Service in 1985.

Faye Meske, Security Manager for Emanuel Hospital, sent the following letter to Oregon's Congressional delegates. If you want to see the Employment Service maintained at the current level, please write our delegates too.

"As the State Chairperson for the Oregon Job Service Employers' Committee (JSEC), I want to express concern regarding the 1985 funding of the public Employment Security System. Nationwide, JSEC's are distressed with the information we have received concerning the 1985 program year funding.

'Initial action was taken by the administration in approving $777.4 million dollars to fund the Employment Service. Now we have received information that the administration has made a deferral request to hold back $37 million dollars of this funding. This is an impoundment of funds and now requires congressional action to release these monies. By reducing the 1985 funding to $740.4 million, Oregon's budget will be decreased by $457 thousand dollars. This money equates to 16 full time annual staff positions.

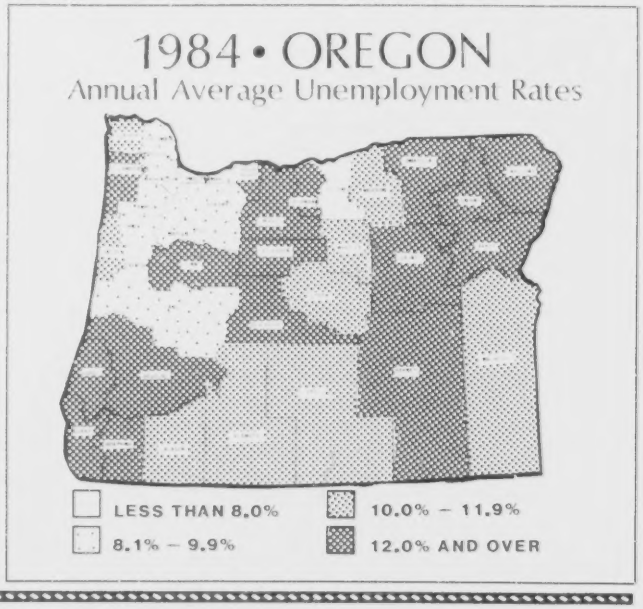
'We realize congressional action is necessary before the $37 million dollars can be released to fund the basic labor exchange. I ask you to consider the following facts:

1. Employers pay for the administration of the Employment Service through the payment of taxes under the the Federal Unemployment Tax Act (FUTA).
2. FUTA funds are dedicated funds, not general revenue. Because these funds are dedicated, they cannot be used for any purpose other than for Employment Security services.
3. FUTA administrative funds have a growing balance at this time with a projected surplus of $1.4 billion at the end of FY 1985. This surplus is being used to offset the federal budget deficit on paper, but not in fact.

'In Oregon we have 16 very active JSEC's with a membership of over 700 employers. We have been working with the Employment Division to develop a more efficient service for employers and applicants. Employers pay for this service, and are using the service with good results. Additional local office closures and staff cuts would cripple the service to such an extent that only minimal services could be offered to the public.

'Oregon has always been a leader and does not avoid controversial issues. Therefore, on behalf of the employers in Oregon, I am asking for your assistance."

If you have any questions, contact your local employment office manager.□



OREGON LABOR TRENDS

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Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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